

## Message Text

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3782

UNCLAS SECTION 1 OF 2 LONDON 11716

FOR BIC/OIM/PD/MRD

E.O. 11652: N/A

TAGS: BEXP, UK

SUBJECT: MARKET RESEARCH - MULTIPLE STUDY CONTRACT FOR  
U.K., FY 1975

REF: STATE 167706

1. FOURTEEN BID INVITATIONS NETTED TEN BIDS FOR SUBJECT CONTRACT. ACUMEN MARKETING GROUP AND PA MANAGEMENT CONSULTANTS DECLINED TO BID; FRANCHISE CONSULTANTS AND MACKINTOSH CONSULTANTS FAILED TO REPLY.

2. FOLLOWING IS SUMMARY OF BIDS FOR SINGLE, MINIMUM (3) AND OPTIONAL (6) STUDIES, WITH DOLLAR EQUIVALENT AT 2.40 STATED IN PARENTHESIS:

A. BENNETT, NEWBERY AND COWAN: 1,100 (2,640); 3,300 (7,920); 6,300 (15,120). BID PRESUPPOSES FIRST STUDY

TO BE ORDERED NOT LATER THAN OCTOBER 30, WITH 90 DAYS NOTICE OF REQUIRED COMPLETION DATE FOR EACH STUDY.

B. COOPERS AND LYBRAND: 3,500 (8,400); 10,500 (25,200); 21,000 (50,400).

C. INTERPLAN: 1,750 (4,200); 5,250 (12,600); 9,900

(23,760). ALTERNATIVE QUOTATION IS AS FOLLOWS: 1,550

(3,720); 4,650 (11,160); 9,300 (22,320). CONDITIONS OF

LATTER SCHEME ARE FOLLOWING: (1) TERMS OF REFERENCE AND COVERAGE TO BE AGREED UPON IN CONSULTATION WITH INTERPLAN

ON COMMISSIONING, INCLUDING PRIORITIES; (2) METHODOLOGY

(NOTABLY NUMBER AND TYPE OF INTERVIEWS) TO BE LEFT

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ENTIRELY TO DISCRETION OF INTERPLAN; AND (3) FLEX-

IBILITY IN SCHEDULING TO BE PERMITTED SO THAT SUITABLY EXPERIENCED PERSONNEL MAY BE AVAILABLE. FIRMS CITES SECURITY, APPAREL MANUFACTURING AND TELECOMS STUDIES AS EXAMPLES ITS ABILITY TO PERFORM SATISFACTORILY UNDER FLEXIBLE GROUND-RULES.

D. LEE, JANSEN AND PARTNERS (FORMERLY KENNETH MITCHELL ASSOCIATES): 2,063 (4,950); 6,188 (14,850); 12,375 (29,700). FIRM QUOTED IN DOLLARS.

E. MARPLAN: 3,950 (9,480); 11,850 (28,440); 23,700 (56,880). IF TWO STUDIES COMMISSIONED AT ONE TIME, SAVING OF 130 (312) PER STUDY WOULD ACCRUE FROM DECREASED SELLING AND TENDER COSTS, WITH MAXIMUM 600 (1,440) DISCOUNT PROPOSED IF ALL SIX STUDIES COMMISSIONED AT ONCE. IN SAME CONNECTION, COMPANY INDICATES 8-10 WEEK TIMING FOR INDIVIDUAL STUDY WOULD EXPAND TO APPROXIMATELY 12 TWELVE WEEKS IF COMMISSIONS MADE CONCURRENTLY.

F. G.T. MURRAY ASSOCIATES: 2,400 (5,760); 7,200 (17,280); 14,400 (34,560). FIRM REQUESTS 50 PER CENT PAYMENT FOR EACH STUDY UPON PRESENTATION OF REPORT.

G. PLANNING RESEARCH SYSTEMS: FOR FIRST HALF FY 75: 2,000 (4,800); 5,700 (13,680); 10,800 (25,920); FOR SECOND HALF FY 75: 2,200 (5,280); 6,300 (15,120); 12,000 (28,800). SINGLE STUDY TO TAKE 10 WEEKS, WITH TIME PERIOD EXTENDED TO 12 WEEKS WHERE TWO OR MORE STUDIES UNDERTAKEN AT ONCE.

H. E.P. DANGER (IN ASSOCIATION WITH TECHNICAL MARKET RESEARCH): 1,500 (3,600); 4,500 (10,800); 8,775 (21,060). FIRM ASKS THAT MAXIMUM OF SIX STUDIES, IF COMMISSIONED BE SPREAD REASONABLY EVENLY OVER CONTRACT PERIOD, AND THAT MINIMUM OF 90 DAYS BE ALLOWED FOR COMPLETION OF EACH STUDY.

I. TECHONOMICS: 1,625 (3,900); 4,875 (11,700); 9,750 (23,400). BID SUBMITTED IN DOLLARS. FIRM REQUESTS INITIAL PAYMENT OF 25 PER CENT OF FEE WITHIN 10 DAYS OF COMMISSION OF STUDY, WITH PAYMENT OF BALANCE WITHIN 21 DAYS OF RECEIPT OF FINAL REPORT. PART 1 PARA III.C. (COMPLIANCE AND ACCEPTANCE) STIPULATIONS ACCEPTABLE IF AMOUNT WITHHELD DOES NOT EXCEED 25 PER CENT OF TOTAL FEE. TIME PERIOD FOR INDIVIDUAL STUDY EXPECTED TO 8-10 WEEKS FROM UNCLASSIFIED

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COMMISSIONING, WITH 20 WEEKS REQUIRED FOR COMPLETING THREE SURVEYS COMMISSIONED TOGETHER.

J. TOWERS, PERRIN, FORSTER AND CROSBY: 5,650 (13,560); 16,950 (40,680); 33,900 (81,360). EXTRAORDINARILY HIGH BID WAS PRECEDED BY SEVERAL CALLS FROM FIRM DEMONSTRATING CONCERN OVER 1 LACK OF ANY INFO AS TO SUBJECTS TO BE SURVEYED AND 2 POSSIBILITY THAT TIMING OF THREE OR MORE STUDIES MIGHT BE SET CONCURRENTLY. POST ATTEMPTED DISPEL FEARS

THAT SUBJECTS WOULD BE EXTREMELY ESOTERIC OR THAT TIMING WOULD POSE UNREASONABLE BURDEN, BUT PRICES QUOTED APPARENTLY REFLECT CONTINUED APPREHENSION AS TO WHAT WE WOULD REQUIRE. (PROPOSAL ALSO ASKS FOR RIGHT TO DISCUSS SELECTION OF ALTERNATIVE AND MORE SUITABLE CONTRACTOR IN CASES WHERE FIRM DOES NOT CONSIDER ITSELF QUALIFIED) EXTREMELY CAUTIOUS ATTITUDE IS THE MORE PUZZLING IN VIEW OF TPFC EXECUTION OF FPP STUDY AT SIGNIFICANTLY LOWER PRICE (POUNDS 2,500) AND WITHOUT VISIBLE DIFFICULTY.

3. DISCUSSION:

A. AS PARA 5 REFTTEL ANTICIPATES PRICE RANGE OF DOLLARS 3,700 TO 4,200, AND FIVE OF TEN BIDDERS ARE WITHIN OR REASONABLY NEAR THAT RANGE, POST WILL CONFINE ITS CONSIDERATION TO THOSE FIRMS.

B. BENNETT, NEWBERRY AND COWAN: LOWEST BIDDER, WHOSE PROPOSAL LETTER (CONTAINING NUMEROUS TYPOS) FROM AMCIT DIRECTOR REFERS TO TEN YEARS WORK FOR DOC, AND DESCRIBES WIDE RANGE OF EXPERIENCE, WITH EMPHASIS ON HIGH TECHNOLOGY SUBJECT. THIRTEEN WEEK COMPLETION TIME, BID INCLUDES REDUCED PRICE (1,000 POUNDS PER) FOR OPTIONAL STUDIES.

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INFO OCT-01 EUR-06 ISO-00 EB-05 DRC-01 RSC-01 TRSE-00 /014 W

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3783

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C. E.P. DANGER: SECOND LOWEST QUOTE, CONTAINED IN BRIEF, STRAIGHT FORWARD PROPOSAL REFERRING TO NUMEROUS STUDIES DONE FOR DOC UNDER STYLE OF TECHNICAL MARKET RESEARCH LIMITED.

D. INTERPLAN: DETAILED AND COMPREHENSIVE BID PROPOSAL SHOWS SPECIAL GRASP OF PURPOSE OF LTC MULTIPLE-STUDY CONTACT DOUBTLESS GAINED THROUGH FY 74 EXPERIENCE, IS NOTABLY FREE OF CAVEATS AND OFFERS USEFUL SUMMARY

REPORT FOR EACH STUDY IN EXCESS OF REQUIREMENTS SET FORTH IN 3IA OF SAMPLE SPECS. DELIVERY TIME 14 WEEKS. PROPOSAL FOR RIGID ADHERENCE TO DOC SPECS IS WITHIN CEILING DESCRIBED REFTEL, WHILE MORE FLEXIBLE SCHEME (OUTLINED PARA 2.C. ABOVE AND ON WHICH POST BELIEVES OIM/MRD TO BE THOROUGHLY BRIEFED) OFFERS 1,440 DOLLAR SAVING ON THREE OR SIX STUDIES.

E. PLANNING RESEARCH SYSTEMS: HIGHEST BIDDER OF FIVE FIRMS CONSIDERED, AND ONLY FIRM TO PHASE PRICES AGAINST ANTICIPATED INFLATIONARY TREND RATHER THAN SETTING LUMP-SUM QUOTE. DESPITE HIGHER PRICE FOR SECOND HALF FY 1975, WE INCLUDE THIS PROPOSAL ON BASIS THAT FIRST THREE AND PERHAPS AS MANY AS THREE ADDITIONAL RESEARCH SUBJECTS WILL BE IDENTIFIED BY DECEMBER 31. EVIDENT FROM PROPOSAL THAT FIRM TOOK PART 2 OF SAMPLE SPECS PROVIDED TO MEAN THAT FY75 STUDIES WOULD BE DRAWN FROM SECURITY EQUIPMENT FIELD. HOWEVER POST HAS CONFIRMATION FROM BIDDER THAT PRS NOW UNDERSTANDS TRUE SITUATION AND THAT TERMS OF PROPOSAL REMAIN VALID. ALSO EVIDENT FROM LIST OF CURRENT PRS CLIENTS THAT COMPANY HAS RESEARCH EXPERIENCE IN WIDELY-VARIED INDUSTRIAL SECTORS.

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F. TECHONOMICS: IN ADDITION TO PAYMENT TERMS DESCRIBED PARA 2.1. ABOVE, PROPOSAL IS RESTRICTED TO PRODUCTS FALLING BETWEEN SIC NUMBERS 3411 AND 3873. DUE COMPANY BACKGROUND SUGGESTING THESE AREAS OF SPECIALIZATION. IMPRESSION GAINED IS THAT OF SMALL ORGANIZATION NORMALLY SUBCONTRACTING TO LARGER CONSULTING FIRMS.

4. POST RECOMMENDATIONS:

A. BIDDING COMPETITION PRODUCED SEVERAL SOUND PROPOSALS FROM FIRMS OBVIOUSLY COMPETENT AND EQUIPPED TO MEET OUR REQUIREMENTS. AT SAME TIME, EVEN BEST OF PROPOSALS FAILED TO SHOW CLEAR SUPERIORITY, PROFESSIONALLY OR PRICE-WISE, TO FY 1974 CONTRACTOR INTERPLAN. WHILE SOME ARGUMENT PERHAPS COULD BE MADE FOR INJECTING FRESH BLOOD, CREATIVE FUNCTION REALLY LIES WITH LTC AND WASHINGTON CMM, WHILE INTERPLAN PERFORMANCE AND ATTITUDE EVIDENCE GROWING FAMILIARITY WITH OUR AIMS AND STANDARDS, AND INCREASINGLY EFFECTIVE WORKING RELATIONSHIP AS RESULT. IN VIEW THIS GOOD EXPERIENCE, POST RECOMMENDS ALTERNATIVE CONTRACTUAL ARRANGEMENT, WITH AFOREMENTIONED BUDGETARY ADVANTAGE PERHAPS PERMITTING SOME ELABORATION TO PARTICULAR STUDIES AS PROGRAM IS DEVELOPED.

B. AS SECOND CHOICE, POST VIEWS PLANNING RESEARCH SYSTEMS AS ACTIVE, SUFFICIENTLY LARGE ORGANIZATION WITH BREADTH OF EXPERIENCE AND (DESPITE INITIAL CONFUSION ABOUT SAMPLE

SPECS) GOOD UNDERSTANDING OF CONTRACT AIMS NECESSARY TO VITAL, MARKET-RESPONSIVE PROGRAM. POST DEALINGS WITH FIRM HAVE BEEN LESS EXTENSIVE THAN WITH SEVERAL OTHER BIDDERS, BUT SATISFACTORY IN ALL IMPORTANT RESPECTS.

C. LOW BID BY BENNETT, NEWBERRY AND COWAN, PLUS FACT OF LONG-TIME PARTICIPATION IN DOC RESEARCH PROGRAM, COMPEL CONSIDERATION OF THIS SMALLER BUT EXPERIENCED FIRM. RECENT OFFSHORE DRILLING EQUIPMENT STUDY, FOR EXAMPLE, WAS OF ABOVE-AVERAGE STANDARDS, DESPITE SOME INITIAL FAILINGS IN COMPETITIVE ASPECT WITH RESULTANT SLIPPAGE IN DELIVERY SCHEDULE. BALANCING BNC EXPERIENCE, FEEL FOR PROGRAM, AND PRICE AGAINST POST IMPRESSION THAT SERIOUS OVERLAPPING OF TWO OR MORE STUDIES WOULD POSE DIFFICULTIES FOR FIRM OF THIS SIZE (PARTICULARLY IF MAXIMUM NUMBER OF STUDIES WERE ORDERED OVER PERIOD OF UNCLASSIFIED

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LESS THAN TEN MONTHS), BNC PROPOSAL APPEARS EQUALLY ATTRACTIVE AS PRS BID, PARTICULARLY WHERE HIGHER-TECHNOLOGY SUBJECTS CONCERNED.

5. RE REFERENCE IN PARA 4 TO OVERSEAS OPERATIONAL MANUAL (WHICH WE TAKE TO SUGGEST THAT POST SEEK BIDS STATED IN CURRENCIES HELD AS EXCESS BY U.S. TREASURY, SINCE STERLING OBVIOUSLY NOT IN THIS CATEGORY), WE WOULD NEED CURRENT LIST OF SPECIAL FOREIGN CURRENCIES (SFC) AVAILABLE FROM TREASURY TO SOLICIT SUCH BIDS. EXPERIENCE GAINED FROM PAST 2-3 YEARS IS THAT, IN PRACTICE, AVAILABILITY THESE CURRENCIES IS QUESTIONABLE AT BEST, AND POST WOULD GREATLY PREFER CONTINUE CONTRACTING IN DOLLARS OR STERLING UNTIL SFC SITUATION MORE CLEARLY SEEN.  
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